

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 IO-11 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01

FEA-01 AGR-05 SAM-01 ERDA-05 FPC-01 OES-03 /128 W

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R 052112Z MAR 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2274

INFO USMISSION OECD PARIS

USMISSION USUN NEW YORK

C O N F I D E N T I A L CARACAS 2622

E.O. 11652: GDS

TAGS: EGEN, CIEC, ENRG, EAID, OECD

SUBJECT: CIEC: VENEZUELA'S REACTION TO COMMISSION MEETINGS

REF: STATE 20560; CARACAS 1546

1. SUMMARY - GOV REPRESENTATIVES TO THE FIRST MEETINGS OF CIEC COMMISSIONS CAME AWAY WITH GENERALLY NEGATIVE IMPRESSIONS. THEY THOUGHT PROGRESS WAS TOO SLOW AND WERE CRITICAL OF U.S. HANDLING OF THE PETROLEUM PRICE ISSUE. END SUMMARY.

2. EMBASSY OFFICERS MET MARCH 3 WITH THE STAFF OF MINISTER OF STATE MANUEL PEREZ GUERRERO TO DISCUSS PROGRESS AT CIEC COMMISSION MEETINGS AND RELATED ISSUES. GOV REPS INCLUDED DR. JULIO CESAR GIL, DELEGATE TO THE ENERGY COMMISSION, AND DR. EDUARDO SOTO, WHO AUDITED THE MEETING OF THE DEVELOPMENT COMMISSION.

3. GIL AND SOTO CONVEYED A GENERALLY NEGATIVE IMPRESSION OF THE FIRST COMMISSION MEETINGS. THEY THOUGHT THAT MUCH TIME WAS WASTED AND THAT THERE WAS A TENDENCY TO GO TOO SLOW. THEY POINTED OUT
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THAT TIME IS OF THE ESSENCE IF THE CIEC IS TO RESULT IN ANY

IMPORTANT CONCRETE MEASURES BY DECEMBER. EXCEPT IN THE ENERGY FIELD, THE GOV OFFICIALS BELIEVE THE SUBJECT MATTER BEFORE EACH COMMISSION HAS BEEN THOROUGHLY ANALYZED. WHAT IS NOW NEEDED IS THE POLITICAL WILL OF THE UNITED STATES AND OTHER INDUSTRIALIZED COUNTRIES TO TAKE ACTION. ALTHOUGH THEY NOTED SOME LACK OF PREPARATION ON THE PART OF THE EC, GIL AND SOTO CLEARLY PUT THE ONUS ON THE U.S. FOR LACK OF SUFFICIENT PROGRESS.

4. THE VENEZUELAN REPRESENTATIVES WERE ESPECIALLY CRITICAL OF THE U.S. FOR ASCRIBING AN "ENERGIZING ROLE" TO THE CIEC, BUT WITHOUT GIVING THIS TERM ANY MEANING OR CONTENT. SOTO WAS EMPHATIC IN EMPHASIZING THAT THE CIEC MUST GO BEYOND DIALOGUE. IN HIS VIEW, THE CIEC MUST ALSO SERVE AS A NEGOTIATING FORUM IF CONCRETE MEASURES ARE TO RESULT.

5. THEY NOTED THE U.S. EMPHASIS ON PETROLEUM PRICES AS THE AXIS AROUND WHICH ALL PROBLEMS SEEMED TO REVOLVE. THEY CLEARLY REGARDED THIS EMPHASIS AS MISTAKEN AND DOUBTED THAT IT WAS ACCEPTED BY MOST OF THE OTHER PARTICIPANTS. SOTO NOTED THAT THE SWEDISH DELEGATE DID NOT AGREE WITH THIS THESIS. GIL EMPHASIZED THAT IT WOULD BE A MISTAKE TO THINK THAT LDC SOLIDARITY COULD BE BROKEN ON THIS OR ANY OTHER ISSUE. SOTO THOUGHT IT ESPECIALLY INAPPROPRIATE THAT THE U.S. HAD HARPED ON THE PETROLEUM PRICE ISSUE IN BALANCE OF PAYMENTS DISCUSSIONS IN THE DEVELOPMENT COMMISSION. SOTO THOUGHT THAT AN ATTEMPT TO BLAME OPEC FOR THE WORLD'S PROBLEMS WOULD NOT BE SUCCESSFUL AND IT COULD ONLY LEAD TO AN ATMOSPHERE OF CONFRONTATION.

6. SOTO EMPHASIZED THE IMPORTANCE OF THE GROUP OF 77 MEETING AT MANILA. HE SAID THAT THE MEETING WAS NOTABLE FOR THE "PRAGMATIC SPIRIT" WHICH EVOLVED. THE ONLY POLITICAL ISSUE WHICH SURFACED WAS RECOGNITION OF THE QKO. OTHERWISE, THE GROUP OF 77 AVOIDED DIVISIVE POLITICAL PROBLEMS AND STUCK TO ISSUES SUCH AS PREFERENTIAL SYSTEMS AND TRANSFER OF RESOURCES WHICH ARE GERMANE TO UNCTAD IV. THE USE OF CONSENSUS AS THE BASIS FOR DECISION HELPED TO AVOID DIVISIVE ISSUES.

7. IMPLEMENTATION OF UNGA SEVENTH SPECIAL SESSION PROPOSALS WAS DISCUSSED BRIEFLY. GIL REGARDED THE JAMAICA IMF MEETING AS A STEP BACKWARDS RATHER THAN EVIDENCE OF PROGRESS. ONCE AGAIN,
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HE SAID, IMPORTANT DECISIONS AFFECTING MANY NATIONS WERE MADE BY A MINORITY.

8. COMMENT - THE GOV OFFICIALS WERE SPEAKING UNOFFICIALLY, BUT THERE IS NOT DOUBT THAT THEY EXPRESSED THE FEELINGS OF THEIR CHIEF, DR. PEREZ GUERRERO. ALTHOUGH THEIR NEGATIVE VIEWS MAY BE IN PART A DELIBERATE EFFORT TO KEEP PRESSURE ON THE U.S., THERE IS LITTLE DOUBT THAT THEY ARE GENUINELY CONCERNED

TO SPED UP THE CIEC IN ORDER TO PRODUCE SOME MEASURABLE
SIGN OF PROGRESS FOR UNCTAD IV. VENEZUELA'S DELEGATIONS TO
CIEC MEETINGS ARE LIKELY TO BECOME INCREASINGLY CRITICAL IF
THEY DO NOT PERCEIVE SUC PROGRESS IN THE TWO COMMISSION
SESSIONS PRIOR TO UNCTAD IV.

9. SOTO'S EMPHASIS ON A "NEGOTIATION" ROLE FOR CIEC IS DIS-
HEARTENING. ALTHOUGH HE APPEARED TO USE THE TERM LOOSELY TO
APPLY TO SOME SORT OF AGREEMENT TO TAKE ACTION IN OTHER FORA, HIS
EMPHASIS ON COMMITMENT TO CONCRETE RESULTS MAY NOT SQUARE WITH
DC PERCEPTIONS OF CIEC'S ROLE.

10. GIL AND SOTO REFERRED ALMOST EXCLUSIVELY TO MEETINGS OF
THE ENERGY AND DEVELOPMENT COMMISSIONS WHICH THEY ATTENDED. THE
EMBASSY WILL ATTEMPT TO CONTACT GOV REPRESENTATIVES TO THE OTHER
MEETINGS TO OBTAIN THEIR IMPRESSIONS. END COMMENT.
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